

EEW4 External Event Report

Title of the event: Virtual expert workshop – Industrial narrative

<i>Date & location:</i>	13 January 2022, 15:00 to 16:30 hrs, Online
<i>Organiser(s):</i>	Borg & Co
<i>Summary of the event</i>	<p>Online seminar with 126 registered participants, with presentations from experts to present the EEW survey and case studies. Presentation of IEA facts of the progress and programmes of energy efficiency.</p> <p>Energy efficiency – present and future (Brian Motherway, IEA)</p> <ul style="list-style-type: none"> • Along with the economy, global CO2 emissions are on the rebound. • In 2021, we saw intensity gains, a return to energy efficiency progress. By 2021, improved energy intensity by 2%. However, we need to double our progress rate on energy intensity now– not in the future. <p>Efficiency progress recovering after slowest year in a decade</p> <ul style="list-style-type: none"> • In 2021, we saw some progress in investment in energy efficiency, some progress in the transport sector, driven by some investment in infrastructure and some stimulus spending. We saw the biggest increase in the building sector, driven by policies in some countries. It is not a global trend. • There are over 40 efficiency milestones on the road to net zero emissions across all sectors and parts of the world. It starts now; the first decade is absolutely crucial, and energy efficiency is the most important element. • There is no feasible, affordable or plausible way to net zero emissions if it's not led by energy efficiency, which makes everything else



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cheaper and more doable, because it lowers the size of the energy system, lowers the amount of energy we need to supply with renewables and new technologies.

- If we don't act now, buildings, cars and products will be inefficient for years and decades, locking in lower levels of efficiency and higher levels of emissions. Efficiency can step up to a higher level, since there are a lot of available actions and technologies.

Visions for 2030

- If we start with energy efficiency actions today, we could have a different economy by 2030: By 2030, the economy could grow by 40% using less energy than today, with lower energy intensity. Great potential for transport and buildings. If all actions are taken and all technologies employed, we could be 1/3 more efficient in energy intensity terms by the end of our decade.

- We do see growth in electricity, which makes it possible with faster penetration of renewables.

Bullets from the power point presentation:

- Recovery spending and stronger policies lift efficiency investment
- Many energy efficiency measures include cost effective solutions that are available today. Without strong, early action on efficiency by 2030 net zero by 2050 will be out of reach.
- Electrification, energy and material efficiency are key for industry.
- Steel, chemicals and cement make up 60% of total industrial energy demand. However, light industry offers 70% of the energy savings potential of the industrial sector.

The Glasgow Breakthrough Agenda: Over 40 countries signed up

- Glasgow Breakthrough Goals: Efficiency is key for power, road transport and steel



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- Clean power is the most affordable and reliable option for all countries to meet their power needs efficiently by 2030.
- Zero emission vehicles are the new normal and accessible, affordable, and sustainable in all regions by 2030.
- Near-zero emission steel is the preferred choice in global markets, with efficient use and near-zero emission steel production established and growing in every region by 2030.
- Affordable renewable and low carbon hydrogen is globally available by 2030.
- Climate resilient, sustainable agriculture is the most attractive and widely adopted option for farmers everywhere by 2030.
- The IEA has been tasked to track progress on clean energy technologies in support of the Glasgow Breakthrough Agenda.

COP26 – over 40 countries signed up

- COP26 pledges could help limit global warming to 1.8°C by 2100.
- Governments representing about 70% of global CO₂ emissions have now pledged to bring their emissions to net zero by 2050 or soon thereafter.

SEAD: COP26 Product Efficiency Call to Action

- Aim to double the efficiency of four key products by 2030, which together account for over 40% electricity demand: Industrial electric motor systems, air conditioners, refrigerators and lighting.
- COP26 Energy Day Event: 14 signatory governments announced, making the Call to Action the largest ever inter-government initiative on product efficiency.

Multiple benefits of energy efficiency

- Lifting industrial productivity and competitiveness, lowering energy bills and providing local jobs.



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- Efficiency makes up two-thirds of clean energy recovery spending. However, spending plans are regionally unbalanced, centered on a small number of advanced economies.

- Example from textiles in India fostering Competitiveness, job creation, gender equality, water conservation – lower pollution.

Three key themes:

- EE as an organising principle for net zero targets.

- There has never been a better time for energy efficiency to sell itself in its importance to deliver the net zero target. Net zero targets must focus on energy efficiency; that message needs to be strengthened. We need to focus on solution to make governments consider energy efficiency.

- A key area is to make net zero itself become an organizing principle for governments as a solution. Energy Efficiency has a chance to be a part of a cross-cutting all of government project more strongly than it would have in the past.

- The digital transformation of the energy system

- Energy efficiency is really being changed by digitilisation. Better opportunities for optimisation, much better control of energy use in our appliances. Also a new way of thinking in energy efficiency; not only about end use efficiency, but systems efficiency. Enables a multi-directional and highly integrated energy system, minimizing resources and investment need.

- People in centre of all work with energy targets and transitions

- Energy Efficiency policies must be inclusive otherwise they will fail. IEA require all governments to put a stronger focus on the people dimension in the energy transtion.

- In 2021, the IEA executive director brought together the Global Commission on People-Centered Clean Energy Transitions. Mutual learning of best practice in the area on how to align people goals with energy goals. The Commission has made 12 key recommendations



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across the themes of employment; development; equity and participation.

Question and comments

- Nils Borg pointed to a 2019 joint publication by eceee, ACEEE and AEEE (of India) that gave input to IEA's high-level commission: 12 strategies to step up global energy efficiency – Advice from three expert NGOs to IEA's High-Level Commission on Energy Efficiency. (See news release and links here).
- How can we increase the appeal of energy efficiency in policy? Although not visible, it's important. "A very large thing coming in small packets".
- Are you aware of the Swiss project Premap? Brian →Yes we are aware,
- Approaching large industries is different from small industries (which also Christiane Egger confirms in the beginning of her presentation below). It's more challenging with policies for SMEs, since there is such a large number of them, and they don't tend to be focus on Energy Efficiency. So policies need to be different for the two types.

Presentation of the EEW4 survey (Christian Egger)

Overall objective of the project:

- Speed up energy efficiency policy development and implementation on all levels (EU, national, regional, local) etc
- 4 phases – EEW1: 2006-2009, EEW2: 2009-2013, EEW3 2014-2017, EEW4 2019-2022.
- Results of the survey:

More of the same; Ups and downs continue; The WHY is often missing: lack of strong narratives; EU27: In general, how influential are these actor groups on politics in your country? Influence of actor groups on politics – Ranking in Member States

The study shows that there is a disappointing level of improvement across the policy field. Progress is too slow and there is fluctuating



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implementation, often due to changing governments. There are some member states where the policy ambition is maintained, despite political changes, which seems to happen where there has been a consensus of the “why” behind energy transition.

How do we achieve this consensus, the narratives behind this cross-party acceptance? How do we convince stakeholder to implement policies according to the directives?

Energy efficiency in relations to narratives that are in people’s minds. Different people react to different arguments.

Explanations of narratives – counter narratives.

According to the survey: Most important topics – Jobs, industrial competitiveness, investments. Are the subjects linked to EE? Not according to the study. Subjects linked positively or negatively? – results of the survey presented.

Who are the important influencer groups in different countries? – 1. Associations of large industries (very strong result, very clear). 2. Trade Unions 3. Chambers of commerce.

Importance of the groups? Associations of industry most important in most countries. Trade unions, other etc.

Which is their position in EE? Associations of industry: Sometimes positive, mixed approach (half/half). Sometimes negative.

Are we talking to the right people and about the right things?

- More attention to industry, jobs and competitiveness.
- Addressing large stakeholder groups
- New messages and new stakeholder interaction
- Need for better data on benefits beyond climate protection and cost savings.

Hope the EU will adapt the message that EE is important for competitiveness and job creation.



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Questions and comments

Rod Janssen: what do you mean by large industry associations? Do they include companies?

Christiane; yes, typically they are included (at least the traditional ones). They have sometimes been the first to start a negative narrative of the energy transitions.

Didier Bossebeuf: Is it easier in the residential sector than in industry?

Christiane: We do have a big portfolio for the business sector in Austria. For the sales argument.

Today, all sectors are getting more aware, because of the energy prices. It is really important to segment these markets. It can be really challenging to offer solutions for big industries, but for many SMEs, the solutions are there. They just need to be implemented and promoted with the right programmes.

Industrial/business case studies (Daniel Becker, Guidehouse)

Differences between 2007 and now: Yes we can! EU-27 has succeeded in developing good energy efficiency policies!

Hardly any proven energy efficiency policies existed when the NEEAP process started: Today, there is an impressive toolbox of energy efficiency policy instruments provided with a large practice.

Initially, there was predominance of info campaigns and many approaches are still rather theoretical. In 2007, the political will was often lacking and there were widespread doubts whether broad energy efficiency policies could address complex savings potentials. Today, a decentralised EU approach provides a great variety of policies.

Narrative cases from business stakeholder

Results from the workshops:

1. Wanting to be a front runner – a general positive narrative approach and more stable environment for EE. New governments don't change everything that have been established by their predecessors.



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Narratives go more and more in the direction; EE is good for us as a nation, no matter what Brussels tells us.

2. EE as integral optimization of production cycle: Speaking mainly to a round of auditors. Our audits are considered as a piece of paper that has to be stamped. How is the potential of the whole production cycle in goods, in terms of not just mere savings? If that question is taken up by the right people for example at board level, we will manage to take it to the next level as a real optimization. This was brought up by several workshop participants in different kinds of country contexts.

A message was; if we can make legislation on audits more about who has to do what with it, for example implement it in a big management system, that would be better than just stamp a piece of paper in an audit.

3. Only talk about a real business case: A very clear understanding about what made a business case and what does not make a business case. One dilemma is that that “green” arguments can be a trap, highlighting green features to a bad business case. It is only a market argument that can be used on top on something viable, it doesn’t lift it above the commercial threshold just by using a green argument.

Better to work on the political framework to encourage more robust business cases and use the green arguments “on top”.

4. Transparent foundations for EE achievements: It is difficult to communicate clearly about measurable achievements, since everybody is using their own data. Even if statistical data is there, it is not clearly proven in the public debate. Need of clarification of what is trusted and proven information on the achievements.

5. Understand your clients: working with the image of technologies: Often it is not a primary aspect how much funding you give people for switching to a new technology. You also have to be aware about their backgrounds, for example; is money really their first problem? Maybe they need an additional push on what is fashionable.

Another example from Slovenia: Modern heaters were more associated with being modern, than heating with wood. “Image” of technologies important.



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6. Just transition – (where) is compensation really needed? May be a misleading expression, suggesting that a transition was only justified if it was made “just” and that it would be “unjust” otherwise. Exaggerated claims for compensation came up in the debate.
7. Communication is key – the role of stakeholder dialogues: Perceived disconnect of implementation (or non-implementation) – need for better dialogue on what was implemented and how it would match needs of the business stakeholder community and the population. Citizens’ dialogue is important and needed.
8. Research and innovation: Policies about research and innovation are often decoupled from energy transition. In the research field, sometimes a focus on outdated technologies. There is an underestimation of innovation potential of new technologies. The two fields need to be more coupled and there is a need for more awareness and popularisation of new technologies. Need for communication of the innovative and economic potential.
9. The right pace for workforce qualification: Often the qualification of staff is lagging for implementing the new technologies, which could cause a negative image building of the technology. If installation knowledge is lacking, inefficient and old products and insulation could be installed
10. Who is price sensitive and how to discuss cost distribution? Targeting tax system, CO2 charges and the compensation need. Who has to be compensated for what? Will the compensation actually cover the additional cost added to some segments of the population?

Objective & main programme point

Present EEW4 expert survey findings and industrial case study

Conclusions

Useful seminar with presentations from experts who presented the EEW survey and case studies, showing interesting findings communicated to a larger audience.

Having Brian Motherway from the IEA as a speaker provided an important frame to the project. He presented the most recent worldwide



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progress of energy efficiency, visions for 2030 and IEA activities for energy efficient appliances, the Product Efficiency Call to Action. He also gave important insights on the potential of digitalization and the importance of a people-centered energy transition.

The discussion provided some new aspects, for example energy efficiency as being easier to grasp when attached to a certain goal or as a starting point. The net zero target also creates an opportunity, and energy efficiency needs to be a core part of this path. We need to inform governments on how to implement energy efficiency and to tell people how to install, use and maintain energy efficiency, not just talk about it as a shiny object you want to buy.

Another interesting aspect was the need for attention of SMEs and the need for different approaches to different sectors.

The access to data is important and once again it was stressed that it is better to work on the political framework to encourage more robust business cases and use the green arguments “on top”.

Programme

15:00 – 15:10	Welcome & introduction, Nils Borg, Borg & Co Why are we here? Introduction and context (Nils Borg, Borg & Co)
15:05 – 15:26	EA WEO and EE scenarios, EE in the light of COP 26. <i>Brian Motherway, IEA</i>
15:28 – 15:52	EEW4 results and survey, <i>Christiane Egger, OÖ Energisparverband</i>
15:53 – 16:10	Industrial case studies (<i>Daniel Becker, Guidehouse</i>)
16.10- 16:36 Discussion and Questions	<p>Relating to the industrial narratives (All)</p> <ul style="list-style-type: none"> • How do we reach the industries who are not already part of the energy transition? • Experience(s) in use of industrial narratives - what has worked? What hasn't? • Results and insights from other EU initiatives/projects that can contribute to and provide good examples for narratives e.g., Multiple Benefits, EEFIG, Industry 5.0, etc. <p>Wrap-up discussion</p>



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